



GOVERNMENT OF THE DISTRICT OF COLUMBIA

Office of the Chief Technology Officer

DC State Broadband Office
Monitoring Plan and Payment Policy

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Executive Summary

This plan is published by the District of Columbia State Broadband Office (SBO), in accordance with National Institute of Standards and Technology (NIST) financial assistance award number 10-20-B136 as amended. This Compliance and Monitoring Plan outlines the oversight and accountability framework to facilitate the proper use of National Telecommunications Information Administration (NTIA) Broadband Equity, Access, and Deployment (BEAD) Program funds. This plan adheres to the statutory and regulatory requirements at minimum defined in:

- [47 U.S.C. § 1702 \(Infrastructure Investment and Jobs Act – BEAD enabling statute\)](#)
- [2 C.F.R. Part 200 \(Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards\)](#)
- [The BEAD Notice of Funding Opportunity \(NOFO\)](#)
- [The BEAD Program Restructuring Policy Notice](#)
- [The General Terms and Conditions for the BEAD Program](#)
- [The Department of Commerce Standard Terms and Conditions](#)
- [The District of Columbia State Broadband Office BEAD Subgrantee Agreement](#)

Alignment with BEAD Program Requirements and NTIA Guidelines

Monitoring and compliance reviews are designed to mitigate waste, fraud, and abuse, promote the timely and appropriate use of funds, and facilitate transparent reporting to stakeholders including the National Telecommunications and Information Administration (“NTIA”), the U.S. Department of Commerce, the District of Columbia Council, and the public. It is assumed that any future guidance will also be incorporated into this plan.

DC State Broadband Office Monitoring Plan

The DC State Broadband Office (SBO) is responsible for overseeing the Broadband Equity, Access, and Deployment (BEAD) program to ensure it meets federal and local requirements. 2 CFR 200.332 requires pass through entities such as SBO to monitor subgrantees to ensure Federal funds are used in accordance with Federal, State, and local requirements and with the terms and conditions of the Federal award. BEAD Program funds will be administered by SBO. To this end, SBO is required by 2 CFR 200.332(b) to evaluate each subgrantee’s risk of noncompliance for the purpose of determining the appropriate level of subgrantee monitoring. Based on the SBO risk assessment of the subgrantee, SBO will conduct technical assistance and provide training to each subgrantee and monitor their activities. This Monitoring Plan is not meant to replace the subgrantee agreement and should be used alongside a thorough review of the agreement.

Grant Monitoring

In its sole discretion, OCTO may use several methods to monitor the grant, including virtual meetings, conference calls, site visits, monthly programmatic reports, financial reports, and the collection of performance data. Each grant is subject to audit. The purpose of these monitoring efforts is to evaluate the grantee's adherence to both DC and federal requirements. The goal is to determine the adequacy of the grantee's operational, financial, and management systems and practices in accounting for program funds. Failure to meet compliance standards may lead to payment suspension, reduction, or termination of the grant.

OCTO retains the authority to carry out on-site visits at any time during the grant period and may request supporting documentation for all data metrics and performance results. Reimbursement requests may be delayed until the verification of all submitted data.

Applicants affirmatively consent to grant monitoring, such as site visits, data collections, financial reporting, and retention of records used in support of grant monitoring and audits for the audit period (3 years from the date of final OCTO payment of the Grant, or the end of the DC fiscal year in which the Grant ends, whichever is later). Applicants will also be subject to quarterly reports.

Monitoring Activities

SBO will develop a monitoring plan for each subgrantee based on a risk assessment. At a minimum, the SBO team's monitoring will include the following:

- **Monthly Invoice Review:** to ensure proper use of BEAD funds, the Grantee must submit each reimbursement request/invoice monthly, and each request/invoice must include supporting documentation. The SBO team members will review the information to ensure that all expenses are allowable.
- **Risk Factor Assessment:** OCTO will conduct an annual review of agencies' requests for funding, in addition to grantees' programmatic and financial reports and publicly available information in order to determine whether, if their proposal is selected for funding, they are a Low, Medium or High-Risk award recipient for the agency.
- **On-going Communication:** SBO will perform frequent meetings with the subgrantee to ensure that the project is running smoothly and to answer any questions.
- **Quarterly Progress Reports:** reports will be required to be submitted by the subgrantee to document progress of the work completed versus funds spent.
- **Deployment Activity Review:** Monitoring of deployment activities for compliance with BEAD NOFO requirements related to Network Capabilities (i.e., Speed and Latency, Network Outages), Deployment Requirements (i.e., Deployment Deadlines and Benchmarks, Conduit Access Points), and Service Obligations (Affordability and Low-Cost Plans, Access to Service, Interconnection Requirements, Cybersecurity).
- **Closeout Site Visit:** award closeout site visit includes activities related to ensuring that the work was performed and properly billed.

Risk Factor Assessment

Risk assessments are required to be performed by Eligible Entities under 2 CFR 200 for any subrecipient awards. As such, all BEAD subrecipients will undergo risk assessments to evaluate certain criteria within program requirements to establish a baseline risk profile for the awarded projects. These assessments will evaluate each subrecipient's capacity to manage federally funded broadband projects responsibly, focusing on financial stability, operational readiness, and compliance history. Risk assessments begin at the pre-award stage and continue throughout the life of the project.

1. OCTO will conduct an annual review of agencies' requests for funding, in addition to grantees' programmatic and financial reports and publicly available information in order to determine whether, if their proposal is selected for funding, they are a Low, Medium or High-Risk award recipient for the agency.
2. Factors considered for determining risk level include:
 - a. Award amount
 - b. Prior experience managing same or similar awards
 - c. Substantial changes to personnel or the budget in a fiscal year
 - d. Timely submission of financial and program performance reports
 - e. Results of audits
 - f. Number of requests for advance(s)
 - g. Site visit findings
3. Depending on the risk level assessed, OCTO may require award recipients or applicants selected for funding to comply with one or more of the following special conditions in order to receive funding:
 - a. Provide monthly financial statements that include, at a minimum, balance sheet, cash flow, or Profit and Loss Statements.
 - b. Provide an organizational budget and any subsequent revision to it.
 - c. Provide project cost documentation upon request. This may include but is not limited to payroll journals, timesheets, vendor invoices, cancelled checks, credit card statements, and compliance with internal procurement policies.
 - d. Deliver Accounting Journal Entries and Ledgers upon request.
 - e. Offer copies of other grant agreements upon request.
 - f. Complete additional Performance Measure, Financial, or Program Reports.
 - g. Report its staffing plan and immediately report new hire updates.
 - h. Immediately report any changes to their Personnel or Financial Manuals.
 - i. Verify reported data and outcomes with backup information.
 - j. Any other requirements determined by OCTO's Chief Technology Officer or his/her designee.
4. Failure to comply with any Special Award Condition may result in award termination and make the grantee ineligible to receive continued or increased funding.

Reporting Requirements

OCTO will provide a quarterly status report template to the subrecipient(s) along with the Grant

Award Notice. The quarterly reports, which discuss grant activities for the preceding quarter, will be due in the designated portal on each of the following dates.

1. Quarter 1 (January – March): April 15
2. Quarter 2 (April – June): July 15
3. Quarter 3 (July – September): October 15
4. Quarter 4 (October – December): January 15

If a report's due date falls on a weekend or District holiday, the report will be due the next business day.

These reports are intended to:

- Provide a comprehensive overview of project implementation, including both technical and financial progress.
- Satisfy federal oversight requirements, including those imposed by the National Telecommunications and Information Administration (NTIA).
- Include all data elements required by NTIA or other federal entities, as applicable.

At a minimum, these reports must detail:

- Actions taken in the quarter preceding the report date;
- Outputs achieved;
- Financial information; and,
- Describe unforeseen changes to the project timetable, staffing, or partnerships, as well as any other changes that may affect project outcomes

Final Report

OCTO will provide a final report template to the Grantee(s) along with the Grant Award Notice. The final report will be due within thirty days of the project's completion date. The report must confirm:

- Fulfillment of all contractual and programmatic obligations.
- Completion of all deliverables in accordance with the approved project plan.

Submission of final expenditures, obligations, and relevant performance metrics. The final report must be uploaded to the designated portal.

Reimbursement of Project Expenditures, Advances, and Disbursement of Funds

- a. The Grantee will be reimbursed for work performed and expenses incurred.

- b. OCTO will not reimburse the Grantee for Grant-related expenditures made before the begin date.
- c. Timely submission of an invoice is a precondition to timely payment.
 - (1) Ordinarily OCTO pays proper invoices within 30 days.
 - (a) The Grantee should submit invoices for Grant-related reimbursement during the Grant period.
 - (2) The Grantee should not submit invoices after September 30 for goods and services incurred in a preceding fiscal year.
 - (3) The Grantee must use the DC Vendor Portal at www.vendorportal.dc.gov to submit invoices. To register for use of the portal, the Grantee must have a business license issued by the District Department of Licensing and Consumer Protection.
 - (4) Prior to acceptance of the Grant, the Grantee must timely inform the OCTO point of contact of objections or limitations with the use of the Portal.
- d. The Grantee's submittal for payment must include a signed invoice, on organization letterhead, with federal tax identification number and supporting documentation. The submittal to OCTO must also include:
 - (1) For employee labor: For the relevant period, submit proof of the paid labor. Proof could include a payroll report, with information drawn from an official book or record, like a payroll register, official time sheet or timecard/s. The Grantee should seek OCTO's pre-approval of the form of proof of employee labor.
 - (2) For a contractor expenditure: Support each expenditure with the contractor's invoice. In turn, each contractor invoice must rest on information drawn from an official book or record.
 - (3) For another expenditure: Support each expenditure with an invoice or receipt.
- e. The Grantee must keep backup documentation to show:
 - (1) For Grantee:
 - (a) For labor: the official books and records information showing employee name, title, hours worked that are charged to the Grant, and pay rate for the period (typically a payroll register, official time sheet, or timecard/s);
 - (b) For non-labor: an invoice and receipt that identifies or describes the invoiced item, showing quantity, rate or price, and for a procured

item, including a contractor and subgrantee invoice, proof of payment.

- (2) For Grantee's contractor or subgrantee:
 - (a) For labor: the official books and records information showing employee name, title, hours worked that are charged to the Grant, and pay rate for the period (typically a payroll register, official time sheet, or timecard/s); and
 - (b) For a non-labor item: an invoice or receipt that identifies or describes the invoiced item, showing quantity, rate or price, and for a procured item, proof of payment.
- f. In some circumstances, OCTO as a precondition to payment, may require documents supporting an accounting entry. Such information may include:
 - (1) General ledger screen shot or excerpt showing paid bills or expenditures;
 - (2) Copy of a canceled check or a bank statement of an electronic transfer;
 - (3) Statement from contractor, subcontractor, or vendor that the bill has been paid; or
 - (4) Report of on-site inspection or audit.
- g. In limited circumstances, and at OCTO's sole discretion according to its policy, OCTO may provide a portion of Grant funds for the Grantee's start-up costs as an advance. *See* RFA Parts 1.8, and 6.2. The following specifics control over general terms in the cited provisions:
 - (1) The Grantee must have requested such funding in its application.
 - (2) Advance payments shall not exceed the lesser of 25% of the grant award or \$100,000. An exceptional case that may justify a greater amount, such as for the purchase of equipment, requires the written approval of OCTO's Director.
 - (3) The advance funds must be spent by the Grantee within the DC Government fiscal year during which the advance is made. The Grantee must submit to OCTO documentation showing evidence of the expenditures using the advance.
- h. Until all grant-funded activities have been completed OCTO may, in its sole discretion, withhold from the total to be paid the greater of either (1) an amount equal to the total of advanced funds or (2) an amount up to 10% of the Grant. Such activities include the Grantee's submission of the final report.
- i. The sum of all monies paid to the Grantee pursuant to the Grant shall not exceed the

total amount stated for the Grant.

- j. Notwithstanding the above, OCTO may withhold payment if OCTO determines that the Grantee has failed to comply with a material term of the Grant. OCTO may, in its sole discretion, determine materiality.

Clawbacks are supported by federal statutes such as the Payment Integrity Information Act of 2019, and regulations under 2 CFR Part 200 (Uniform Guidance). OCTO reserves the right to recover funds (clawback) in the following situations, but not limited to:

- Grantee used grant funds for ineligible costs.
- Project was not completed in accordance with the approved scope or requirements.
- Funds were expended without required documentation or prior approval.

Grantee fails to meet long-term obligations (e.g., service requirements) Clawback Process:

- OCTO will issue a written demand for repayment, including the amount owed and basis for the recovery. The written demand will be sent via US Mail to the Grantee's principal address as well as sent via email to the Primary Responsible Entity of the Grantee.
- The Grantee will be given 30 days to repay or enter into a repayment agreement with OCTO.
- Failure to repay may result in legal action or withholding of future state or federal funds.

Unspent Funds

Funds provided under this Grant, but not spent to fulfill the terms of the Grant, shall be returned immediately to OCTO upon completion of all work required under the Grant, termination of the Grant, or the Grant end date, whichever is earliest.

Grant Fiscal Performance Review and Remediation Plan

- a. After eight (8) weeks of the Grantee's Grant performance, OCTO may perform a complete grant fiscal compliance review to determine patterns and rates of expenditures.
- b. If OCTO identifies deficiencies, OCTO may require that the Grantee undertake a grant remediation plan to improve and correct fiscal problems. Grant remediation may include:
 - (1) Repayment of Grant funds;
 - (2) Reduction in the Grant award; and
 - (3) Reallocation of Grant funds.

Accounting and Audits

Subrecipients must implement and maintain robust financial management systems aligned with

applicable federal and state regulations. Financial systems must support the proper stewardship of federal funds by promoting cost-effective project execution, maintaining transparency, and upholding accountability for program-funded expenditures.

Subrecipients are required to follow Generally Accepted Accounting Principles (GAAP) or other standard accounting practices to establish systems that facilitate accurate, current, and complete financial reporting. This includes maintaining detailed source documentation for all transactions, establishing internal controls to prevent waste, fraud, and abuse, and segregating duties among staff to promote accountability. Expenditures must be regularly compared to the approved project budget, and any budget deviations must receive prior approval in accordance with BEAD program requirements.

Cash management procedures must minimize the time between the receipt and disbursement of federal funds. Subrecipients must account separately for all program income and matching contributions, supported by appropriate documentation. Examples of documentation collected are annual financial audits, financial records include ledgers for general activity, cash receipts and disbursements, fixed assets, and budget control.

- a. The Grantee shall maintain an accounting system that:
 - (4) Conforms to generally accepted accounting principles;
 - (5) Permits an audit of all income received and expenditures made by the Grantee during performance of the activities approved for the Grant; and
 - (6) Allows for the identification and review of documents supporting an accounting entry.
- b. The Grantee shall assist, and shall require that its contractors, subcontractors, and subgrantees assist, in the inspection and provision of financial records relevant to the Grant, including financial statements and tax returns. The Grantee shall seek such assistance from each vendor of a Big Grant Purchase.
- c. At any time before final payment on this Grant, or the end of the District fiscal year in which the Grant ends, whichever is later, and for three (3) years thereafter, the District shall have the right to audit the Grantee, its contractors, subcontractors, or subgrantees. The District may, during this period, seek to audit vendors of Big Grant Purchases. If federal funds have been granted or subgranted, a federal agency may undertake such audits. The Grantee shall assist the District in obtaining the cooperation of its contractors, subcontractors, subgrantees, and vendors in such audits.

Subrecipients of BEAD funding must comply with federal audit standards set forth in 2 CFR 200.501. Subrecipients are required to participate in monitoring activities, including pre-award and post-award audits, as applicable.

If federal funds have been included in the OCTO Grant to the Grantee, and the Grantee spends over the following amounts of federal funds, from all sources, the Grantee shall obtain an independent audit of program expenditures in accordance with federal rules:

- (7) If the Grantee's fiscal year that started after 12/26/14, for an aggregate of federal funds spent of \$1,000,000 or more (including this Grant) in its own fiscal year, the Grantee shall obtain an independent audit of program expenditures in accordance with 2 CFR Part 200, Subpart F.
 - (8) In any event, the Grantee of federal funds shall comply with all applicable federal regulations contained in 2 CFR Part 200.
 - (9) A copy of the audit findings and the audit report shall be submitted to the Grant Administrator no later than thirty (30) days from the issuance of the audit findings.
- d. If a federal agency undertakes an audit of the Grantee in connection with the Grant, the Grantee shall make available to OCTO all information that the audit requires, including information from its contractors, subcontractors, subgrantees, and, as practicable, vendors.
 - e. The Grantee shall, upon OCTO request, repay to OCTO a reimbursed expenditure that OCTO has disallowed after an audit.

Document Retention for Three Years

- a. For three (3) years after the final OCTO payment of the Grant, or the end of the District fiscal year in which the Grant ends, whichever is later, the Grantee must maintain complete documentation of the Grant activities, including financial records and other documents supporting accounting entries. Upon OCTO's request, the Grantee must be able to produce for review the documentation, including for OCTO audit or, if applicable, federal audit.
- b. The Grantee must produce these materials for review, permit review of them, and respond promptly to questions regarding them, upon OCTO's or an auditor's request.
- c. If a claim, litigation, or audit is filed or commenced before the expiration of the three-year period, the documentation retention period shall be tolled, and documentation must be preserved until the claim, litigation, or audit has been finally resolved.
- d. The Grantee shall secure the agreement to the provisions of this section in writing from a person that this appendix subjects to an audit requirement.

Attribution of Funding

- a. When communicating in writing (including in signage, on garments, and electronically) about the activity or project which the Grant funds, the Grantee must identify publicly the support of OCTO. The Grantee shall include an OCTO logo, which OCTO will provide.
- b. The Grantee shall follow OCTO Sign Design Guidelines and Publication Design Guidelines.
- c. If federal or other funds have been subgranted, and if OCTO requests, the Grantee must similarly acknowledge the funds' source.

Rights in Data and Other Information

- a. OCTO retains ownership of all information produced pursuant to this Grant, including data regarding persons surveyed, interviewed, and/or counted, and any information regarding to whom services or things were provided.
- b. To ensure the protection of persons' confidentiality and compliance with District law and policies regarding confidentiality, the Grantee may not publish scientific or technical articles based on these data and/or information without OCTO's prior written consent.
- c. OCTO is, for federal funding, subject to certain information restrictions, and may require that the Grantee give notice to, and request a decision from, the federal funder.
- d. OCTO will not unreasonably withhold consent to a request by the Grantee for a nonexclusive license to use aggregated, non-confidential data, including for publication in professional and scientific journals and at professional meetings.
- e. The documents for this Grant are public documents and may be disclosed under the District's Freedom of Information Act, D.C. Official Code §§ 2-531 to 540. OCTO shall have the right to disclose to a third party the identity of a person providing a service or good under this Grant and the terms of insurance obtained pursuant to this Grant.
- f. The Grant may involve activities in which confidential information is provided to the Grantee. OCTO may also advise the Grantee in writing as to the content and nature of confidential information. When the Grantee uses or has access to confidential information, it shall treat the information as follows:
 - (1) The Grantee shall use confidential information only to the extent required to accomplish the purposes of this Grant.
 - (2) The Grantee shall not disclose confidential information to others without the express written permission of OCTO. Exception: The Grantee may disclose confidential information to its contractors or subgrantees who have agreed in writing to be bound by the disclosure limitations in this section.
 - (3) To be considered confidential information subject to the disclosure limitations in this section, OCTO 's orally provided information shall be identified as confidential at the time of disclosure, summarized in writing and the summary delivered within thirty (30) days of disclosure.
 - (4) Confidential information shall not pass in ownership to the Grantee. The furnishing of confidential information does not constitute a license to the Grantee to use the information for purposes beyond the activities of this Grant.
 - (5) After being requested by OCTO to destroy confidential information, the Grantee shall return or destroy it within seven (7) days. Destruction shall be verified by the Grantee in writing by a duly authorized officer or manager. Confidential information that is not returned or destroyed shall remain subject to the confidentiality obligations set forth in this section.
 - (6) The confidential information shall not be copied or reproduced at any time without the prior written consent of OCTO, except for distribution to

employees or contractors in accordance with, and subject to, the provisions of this section.

- (7) The requirements of this section shall continue past the term of this Grant.
- (8) The Grantee shall secure from contractors and subgrantees the agreement, in writing, to be bound by this section if they use or have access to confidential information.
- (9) Confidential information shall include, but not be limited to homeowner names, phone numbers, social security numbers, financial information, and home security arrangements.

Corrective Action

In the event the programmatic, financial, or documentation conditions of the grant are not met in a thorough and timely fashion, progressive actions will be taken, at the discretion of OCTO, up to and including termination of funding.

Examples of Non-Compliance:

- Failure to submit required quarterly progress reports
 - Inaccurate or unsupported reimbursement requests
 - Construction delays without explanation or approved extension
 - Lack of procurement policies or inadequate documentation of competitive bids
 - Inability to demonstrate match funding or ineligible use of funds
 - Use of equipment or vendors not authorized in the approved application
- a. If SBO determines that the Project is not progressing in accordance with this Agreement or if SBO determines that a Project is otherwise not complying with BEAD Program Requirements or this Agreement, it may require Subgrantee to file a “Corrective Action Plan” to remediate the Project. Subgrantee failure to comply with such a Corrective Action Plan may result in an Enforcement Action, pursuant to Section 14 below, including a possible clawback of BEAD funding.
 - b. SBO shall normally offer Subgrantee the opportunity to remediate a Project deficiency through a Corrective Action Plan but, in the event of a material breach by Subgrantee, SBO may, at its discretion, immediately initiate an Enforcement Action pursuant to Section 14, including a clawback of funding, without first requiring a Corrective Action Plan from Subgrantee. Moreover, the parties agree that the filing of a Corrective Action Plan by Subgrantee shall not act as a bar to SBO initiating an Enforcement Action.
 - c. If SBO determines at any time before the Contract Period Performance Date that the Subgrantee is unlikely to meet its contractual obligations, SBO shall promptly notify Subgrantee and may require the submission of a Corrective Action Plan. Such a determination by SBO will be based on circumstances such as (but not limited to) filing by or on behalf of Subgrantee under Chapter 7 of the U.S. Bankruptcy Code, the liquidation of Subgrantee E, an abandonment of the project by Subgrantee or other similar significant event that demonstrates Subgrantee E or its subcontractors will be unable or is unwilling to satisfy the targets for the grant awarded through the BEAD

grant-making process. Moreover, the parties agree that the filing of a Corrective Action Plan by Subgrantee shall not act as a bar to SBO initiating an Enforcement Action.

- d. SBO may, in its sole discretion, require the submission of a Corrective Action Plan if, at any time, it appears that Subgrantee is unlikely to meet the deliverables specified for an upcoming Milestone. If, at the time of any Milestone specified in Exhibit B, Subgrantee has not met at least ninety (90) percent of each of the deliverables specified for that Milestone, then SBO shall promptly notify the Subgrantee and require the submission of a Corrective Action Plan.

A project which is prematurely terminated will be subject to the same requirements regarding audit, recordkeeping, and submission of reports as a project which runs for the duration of the project period.

Specific Award Conditions (SAC) Requirements

OCTO will comply with the recipient-specific SAC requirements inclusive of subgrantees.